

**INTERNAL REVENUE SERVICE  
Southwest Region**

**Department of the Treasury  
Appeals Office  
55 N. Robinson, Suite 939  
Oklahoma City, OK 73102**

**Person to Contact:**

**Telephone Number:**

**Date: OCT 17 1994**

**CERTIFIED MAIL**

**Employer Identification Number:**

**Dear Sir or Madam:**

**This is a final adverse determination with respect to your exempt status under Section 501(c)(3) of the Internal Revenue Code.**

**You are not organized or operated primarily as an educational organization as required by Section 501(c)(3) of the Code.**

**Contributions made to your organization are not deductible under Section 170 of the Internal Revenue Code.**

**You are required to file Federal Income Tax returns with the (Austin) Service Center for taxable years for which the filing date of the appropriate return has passed. These returns should be filed within (90) days of the date of this letter, unless a request for extension of time is granted. Please send them to the attention of the EP/EO Division, attach a copy of this letter, and address any requests for time extensions to the EP/EO Division at the Service Center. Processing of an income tax return and assessing any taxes due will not be delayed because a petition for a declaratory judgment has been filed under Section 7428 of the Internal Revenue Code.**

**We will notify the appropriate State officials, as required by Section 6104(c) of the Code, that based on the information we have available, we are unable to recognize you as an organization described in Section 501(c)(3) of the Internal Revenue Code for the period mentioned.**

**If you decide to contest this determination in court, a petition for a declaratory judgment proceeding in the United States Tax Court, the United States Court of Claims, or the United States District Court for the District of Columbia must be filed within 90 days from the date this determination was mailed to you.**

[REDACTED]

The enclosed Publication 892 provides information about filing suit in these courts.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,

[REDACTED]

Associate Chief, Appeals

Enclosure: As Stated

**Internal Revenue Service**

**District  
Director**

**Department of the Treasury**

**1100 Commerce St., Dallas, Texas 75242**

Date: **APR 23 1993**

Person to Contact:

Telephone Number:

Refer Reply to:

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

The information submitted indicates that you were organized on [REDACTED], pursuant to the [REDACTED] Non Profit Corporation Act. Your purposes were amended [REDACTED] to meet the organizational test of IRC 501(c)(3).

Your activities, as stated in your application, are to promote education and awareness of philatelics.....The Foundation will organize, promote and operate Philatelic exhibitions." You will arrange for adequate space at a hotel or convention hall, arrange for security and other necessary equipment, purchase sufficient exhibit frames, and advertise. Excess proceeds, if any, will be donated to [REDACTED].

[REDACTED], a part of the [REDACTED] at [REDACTED]. Your application states that, The first scheduled event is to take place in [REDACTED] in [REDACTED]. Only one event or two events each year will be sponsored by the Foundation.

Your letter dated [REDACTED], [REDACTED], modified these activities by adding three to four seminars each year for the philatelic education of the public, to be held at [REDACTED].

[REDACTED]. These seminars will be free to the public. The organization's philatelic exhibition and show activity was not modified. You will rent a facility for the event, and dealers wishing to sell their philatelic materials will rent table space from the organization. There is no evidence that you will conduct any exhibitions or philatelic materials which do not include dealers conducting their business activity.

[REDACTED]

The projected financial statements submitted with your application show substantially all of your support to be from dealer fees, exhibit fees, and program ads. All expenses are those of the show. You have stated that the organization will contribute net income, if any, from the stamp show to [REDACTED]. In your first year, you have anticipated no net income. In your second year, you anticipate less than five percent of your gross receipts will be paid to the qualified recipient, and in the third year your expectation is nine percent.

Section 501(c) of the Code describes certain organizations exempt from Federal income tax under section 501(a) and reads, in part, as follows:

"(3) Corporations.\*\*\* fund, or foundation, organized and operated exclusively for religious, charitable, scientific, \*\*\* literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Section 1.501(c)(3)-1 of the regulations provides, in part, as follows:

"(a)(1) In order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

"(a)(2) The term 'exempt purpose or purposes,' as used in this section, means any purpose or purposes specified in section 501(c)(3), as defined and elaborated in paragraph (c) of this section.

Section 1.501(c)(3)-1 states:

(c)(1) Primary activities. An organization will be regarded as operated exclusively for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

[REDACTED]  
[REDACTED]  
If this determination letter becomes a final determination, we will notify the  
Appropriate State Officials, as required by section 6104(c) of the Code, that  
based on [REDACTED] action we have, we are unable to recognize you as an  
organizat [REDACTED] type described in Code section 501(c)(3).

If you agree with these conclusions or do not wish to file a written protest,  
please sign and return Form 6018 in the enclosed self-addressed envelope as soon  
as possible.

If you have any further questions, please contact the person whose name and  
telephone number are shown at the beginning of this letter.

Sincerely,

[REDACTED]

District Director

Enclosures:  
Publication 892  
Form 6018